

IDAHO REAL ESTATE COMMISSION

Report to the Idaho Association of REALTORS® Board of Directors
September 12, 2008



LICENSING:

- License numbers have remaining steady over the past 6 months:
- Averaging 103 new license applications per month for last 6 months.
- 12,670 total Licensees as of Aug 1, 2008 (9,687 Active & 2,973 Inactive)
(237 Less licensees than a year ago = 12,907 Total licenses on Aug 1, 2007)
(NOTE: The highest licensee count was 12,994 on Sept 1, 2007)
- 867 total of companies as of Aug 1, 2008 (72 more than on Aug 1, 2007)

ERRORS & OMMISIONS INSURANCE:

- E&O Insurance is still an ongoing problem: Licensees certifying they have insurance but have not actually obtained it.
- Every current licensee must have renewed their E&O by the end of Sept to avoid the minimum \$100 fine.

LICENSE EXAMS:

- Our current contract with our present testing company, Pearson Vue ends November 15, 2008
- Commission sent out a "Request For Proposal (RFP) earlier this year and Pearson Vue was the successful bidder for a new 4-year contract beginning November 16, 2008.
- The exam fee will increase to \$75 (current fee \$60) based on the new contract.
- There will be no changes to testing center locations or exam procedures.

EDUCATION:

- Based on a joint workshop with the IAR, Education Providers, Certified Instructors & the Commission over the past year, many new recommendations are being implemented this fall, while other courses are in various stages of revisions.
- Module 1 & Module 2 (Pre-License course) have been updated to include more practical "hands on" activities (filling out of forms, etc) to better prepare students to get a "quick start" after receiving their license.
- The "new" Module 1 & 2 will be formally launched October 1
- The Business Conduct & Office Operations course has been revised and will be "tested" this month in Twin Falls.
- The Broker Management course is undergoing a revision now.
- New law change (Effective July 1, 2008) shortens the time to take a prelicense course from 5 years to 3 years. (Courses completed on or before June 30, 2008 will be valid for 5 years, courses completed on or after July 1, 2008 will be valid for 3 years).
- The Commission's Real Estate Education Council members have been reviewing 100% of the Continuing Education (C.E.) courses requesting certification as well as courses requesting recertification to insure the content of the courses relate directly to real estate (There are currently 498 accredited Continuing Education courses available to licensees).

- The Commission is also in the process of updating their current process for auditing education courses, instructors and providers (currently 128 certified providers and 69 instructors).

EDUCATION PROVIDED BY CIVIL PENALTY FINE MONEY:

- Fine money can only be used for development & delivery of real estate education to benefit Idaho real estate licensees.
- The Commission has spending authority for \$95,000 of fine money each year (any money not expended each fiscal year from the fine money is returned to the fund).
- \$70,287 was paid out for the 2008 fiscal year (ending June 30, 2008).
- \$44,734 has been awarded so far for the 2009 fiscal year (which began July 1, 2008).
- New guidelines for awarding civil fine money comply with current state purchasing requirements adopted by the Commission and became effective as of September 1st.

EDUCATION “SEARCH” COMING SOON TO THE COMMISSION WEB SITE:

- New search field will allow you to find a Course, Instructor and Provider.
- You’ll be able to search by course, date and location.
- Course descriptions will also be available.
- Identify the course developed or delivered with civil penalty fine money.

ENFORCEMENT:

- The number of complaints (from both the public & other licensees) are still averaging between 50-60 a month (59 in August) The complaints seem to be a little more serious (misrepresentation, advertising, adverse material facts, etc) in the past few months.
- 199 calls from licensees requesting assistance (agency, trust accounts, etc)
- Increased E&O Insurance violations discovered in E&O audits. Many violations involve agents changing from offices that provided E&O coverage to offices that do not and agents fail to purchase the state’s group E&O Insurance after move.

NEW “AGENCY DISCLOSURE BROCHURE”:

- Became effective July 1, 2008 (previous versions of the “Blue Brochure” should be discarded so licensees are not in violation of the License Law).

POSTING OF “DISCIPLINARY ACTIONS”:

- Effective October 1st, “formal” disciplinary actions of licensees will be posted on the Commission’s website.

ADMINISTRATION:

- North District Commissioner: Pam Trees (assoc. broker, Coldwell Banker Tomlinson Associates, Lewiston); South District Commissioner: Marvis Brice (assoc. broker, Advantage 1 Real Estate, Burley); East District Commissioner & Commission Vice Chair: Kelly Fisher (broker, Network Real Estate Group, Pocatello) West District Commissioner & Commission Chair: Andy Enrico (broker, Andy Enrico & Co., Real Estate, Boise).
- Executive Director: Jeanne Jackson-Heim